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**SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION**

**中芯國際集成電路製造有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 981)**

**CONNECTED TRANSACTION  
NEW JV AGREEMENT IN RELATION TO SMEC**

**THE NEW JV AGREEMENT**

On or before 14 December 2020, certain shareholders of SMEC entered into equity transfer agreements to transfer their equity interest in SMEC through separate transactions, and certain shareholders of SMEC and new investors agreed to enter into transactions to make further capital contribution to the registered capital of SMEC. As a result, Xinjiang Dongpeng, Qingdao Yingke, Suzhou HuYangLin, Qingdao Cowin, Shangrong Chuangxin, IPV Global, Ningbo Wanxin, Qingdao Ruanxin, Guangzhou SunTour, Haitong ITG, Tianjin Yuanfeng, CMBI Growth, Qingdao Juyuan Xinyue, Qingdao Juyuan Xinyue II, Shenzhen Capital, Masterwell, Shanghai Hongcheng, Suzhou Heji and Zhuzhou Ruilian became the new shareholders of SMEC.

On 8 January 2021, such new shareholders and the existing shareholders (including SMIC Holdings) of SMEC entered into the New JV Agreement to reflect the above changes. As SMIC Holdings did not make further capital contribution in SMEC, the Company's equity interest in SMEC, through SMIC Holdings, has decreased from approximately 22.26% to 19.57%.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As China IC Fund holds approximately 10.21% interest in the Company through its wholly-owned subsidiary, Xinxin (Hongkong) Capital Co., Limited as at the date of this announcement, it is a connected person of the Company under the Hong Kong Listing Rules. As China IC Fund holds approximately 49.5% interest in IPV Global, IPV Global is an associate of China IC Fund and thus a connected person of the Company. Accordingly, the Company's entering into of the New JV Agreement with, amongst others, IPV Global constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios stipulated under rule 14.07 of the Hong Kong Listing Rules in respect of the New JV Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the New JV Agreement constitute connected transactions of the Company and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **THE NEW JV AGREEMENT**

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## **SUMMARY OF PRINCIPAL TERMS OF THE NEW JV AGREEMENT**

### **Date:**

8 January 2021

### **Parties:**

1. SMIC Holdings
2. Shaoxing Yuecheng IC Fund
3. Shaoxing Rixinrui
4. Gongqingcheng Orange Core
5. Ningbo Xinhong
6. Qingdao Juyuan Yinxin
7. Gongqingcheng Orange Sea
8. Gongqingcheng Qiushi
9. Ningbo Zhenxin
10. Ningbo Xintuo
11. Shaoxing Guixinrui
12. Xinjiang Dongpeng
13. Qingdao Yingke
14. Suzhou HuYangLin
15. Qingdao Cowin
16. Shangrong Chuangxin
17. IPV Global (an associate of a connected person at the issuer level of the Company)
18. Ningbo Wanxin

19. Qingdao Ruanxin
20. Guangzhou SunTour
21. Haitong ITG
22. Tianjin Yuanfeng
23. CMBI Growth
24. Qingdao Juyuan Xinyue
25. Qingdao Juyuan Xinyue II
26. Shenzhen Capital
27. Masterwell
28. Shanghai Hongcheng
29. Suzhou Heji
30. Zhuzhou Ruilian

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, other than IPV Global for the reasons disclosed in this announcement, the parties to the New JV Agreement listed above and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Business Scope of SMEC**

The business scope of SMEC includes semiconductor integrated circuit chip manufacturing, probe testing and testing, test packaging, advanced wafer-level packaging, electronic components and optical components research and development and manufacturing, photolithography mask development and manufacturing, mold manufacturing and processing, development, design services and technical services related to integrated circuits and electronic/optical components, sales of self-produced products, and provision of related technical consultation and technical services, engaged in the import and export of goods and technologies, and lease of own equipment/houses.

## Registered Capital and Capital Commitment

The registered capital of SMEC is RMB7.05 billion. The details of capital commitment attributable to the shareholders of SMEC are as follows:

Shareholder	Capital Commitment (RMB'0000)	Equity Interest (%)
SMIC Holdings	138,000	19.5745
Shaoxing Yuecheng IC Fund	160,000	22.6950
Shaoxing Rixinrui	30,000	4.2553
Gongqingcheng Orange Core	17,500	2.4823
Gongqingcheng Orange Sea	21,250	3.0142
Gongqingcheng Qiushi	21,250	3.0142
Ningbo Zhenxin	25,200	3.5745
Ningbo Xintuo	15,200	2.1560
Ningbo Xinhong	14,600	2.0709
Qingdao Juyuan Yinxin	15,000	2.1277
Shaoxing Guixinrui	32,000	4.5390
Xinjiang Dongpeng	15,000	2.1277
Qingdao Yingke	16,000	2.2695
Suzhou HuYangLin	10,000	1.4184
Qingdao Cowin	10,000	1.4184
Shangrong Chuangxin	10,000	1.4184
IPV Global	10,000	1.4184
Ningbo Wanxin	9,500	1.3475
Qingdao Ruanxin	10,000	1.4184
Guangzhou SunTour	10,000	1.4184
Haitong ITG	10,000	1.4184
Tianjin Yuanfeng	13,200	1.8723
CMBI Growth	10,000	1.4184
Qingdao Juyuan Xinyue	11,900	1.6879
Qingdao Juyuan Xinyue II	19,400	2.7518
Shenzhen Capital	10,000	1.4184
Masterwell	20,000	2.8369
Shanghai Hongcheng	7,500	1.0638
Suzhou Heji	2,500	0.3546
Zhuzhou Ruilian	10,000	1.4184
Total	705,000	100

As at the date of this announcement, except for Shaoxing Rixinrui and Shaoxing Guixinrui, all other remaining shareholders have completed their capital contribution obligations.

Shaoxing Rixinrui shall complete all of its outstanding capital contribution obligation by 30 June 2024. Shaoxing Guixinrui shall complete all of its outstanding capital contribution obligation by 31 October 2024.

The amounts of capital contribution were arrived at after arm's length negotiation among the parties with reference to the net asset value, future business prospects and development potential of SMEC. The capital contribution will be applied by SMEC for working capital.

### **Composition of the Board and the Supervisory Board of SMEC**

The board of directors of SMEC will comprise five directors. Each of SMIC Holdings and Shaoxing Yuecheng IC Fund is entitled to appoint two directors. Shaoxing Rixinrui is entitled to appoint one director. The chairman of the board of directors of SMEC will be elected by its board of directors.

The supervisory board of SMEC will comprise five supervisors. Each of SMIC Holdings, Shaoxing Yuecheng IC Fund and Gongqingcheng Orange Core is entitled to appoint one supervisor. The remaining two supervisors shall be employee representatives of SMEC.

### **Transfer of Interests in SMEC**

Subject to other requirements under the New JV Agreement, any transfer of equity interest in SMEC by a shareholder of SMEC to another party (whether another shareholder of SMEC or a third party) will require prior unanimous consent from other shareholders of SMEC. In the event that any shareholder of SMEC proposes to transfer all or part of its equity interest in SMEC (the “**Transferring Interest**”) to a third party or a shareholder of SMEC, each of the non-transferring shareholders of SMEC will have a pre-emptive right to purchase the Transferring Interest on terms not less favourable than the terms offered to such third party.

### **Other Terms**

The term of operation of SMEC is 50 years from 9 March 2018.

## **REASONS FOR AND BENEFITS OF THE NEW JV AGREEMENT**

Through the entering into of the New JV Agreement, the introduction of new strategic investors as new shareholders of SMEC will help guarantee the capital demand of the project expansions of SMEC and better promote the construction and business development of SMEC.

The Directors (including independent non-executive Directors) consider that (i) it is in the best interests of the Company and the Shareholders as a whole for the Company to enter into the New JV Agreement and the transactions contemplated thereunder; (ii) the terms of the New JV Agreement are fair and reasonable and in the interests of the Shareholders as a whole; and (iii) the entering into of the New JV Agreement and transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Directors Mr. Ren Kai and Mr. Lu Jun both have abstained from voting on the board resolutions in respect of the New JV Agreement, according to the Article 122 of the Twelfth Amended and Restated Articles of Association of the Company. Save as disclosed, no other Director is considered to have a material interest in the New JV Agreement which would have required the Director to abstain from voting at the Board meeting authorising the New JV Agreement.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As China IC Fund holds approximately 10.21% interest in the Company through its wholly-owned subsidiary, Xinxin (Hongkong) Capital Co., Limited as at the date of this announcement, it is a connected person of the Company under the Hong Kong Listing Rules. As China IC Fund holds approximately 49.5% interest in IPV Global, IPV Global is an associate of China IC Fund and thus a connected person of the Company. Accordingly, the Company's entering into of the New JV Agreement with, amongst others, IPV Global constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios stipulated under rule 14.07 of the Hong Kong Listing Rules in respect of the New JV Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the New JV Agreement constitute connected transactions of the Company and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Company's entering into of the New JV Agreement does not constitute related transactions under the listing rules of the Science and Technology Innovation Board of the SSE.

The Company's waiver of the pre-emptive right does not constitute a non-exercise of an option under rule 14A.06(27) of the Hong Kong Listing Rules nor a related transaction under the listing rules of the Science and Technology Innovation Board of the SSE.

## GENERAL INFORMATION ABOUT SMEC

SMEC is a company established in the PRC, principally engaged in integrated circuit chip manufacturing, probing and testing, test packaging, advanced wafer-level packaging, and electronic components and optical components research and development and manufacturing. Guided by customer demand and based on MEMS and power device technology, SMEC focuses on the characteristics foundry service for sensing, connection, power device and other semiconductor. SMEC is not a subsidiary of the Company before entering into the New JV Agreement and will not be a subsidiary of the Company after entering into the New JV Agreement. The net profit (loss) (before and after taxation) of SMEC under the China Accounting Standards for Business Enterprises for the financial years ended 31 December 2018, 31 December 2019 and the 9 months ended 30 September 2020 are set out as follows:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>	<b>For 9 months ended 30 September 2020</b>
	<i>RMB (million) (audited)</i>	<i>RMB (million) (audited)</i>	<i>RMB (million) (unaudited)</i>
Net Profit (Loss) before and after taxation	(178.32)	(656.16)	(855.27)

According to the audited accounts prepared by SMEC under the China Accounting Standards for Business Enterprises, the total assets, total liabilities and net assets of SMEC as of 31 December 2019 amounted to approximately RMB6.36 billion, RMB2.91 billion and RMB3.45 billion, respectively.

## INFORMATION ABOUT THE PARTIES

### The Company

The Company and its subsidiaries collectively constitute one of the leading foundries in the world, is Mainland China's most advanced and largest foundry, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. The Group provides IC foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, the Group has an international manufacturing and service base. In China, the Company has a 300mm wafer fabrication facility (fab), a 200mm fab and an effectively-controlled joint-venture 300mm fab for advanced nodes in Shanghai; a 300mm fab and a majority-owned 300mm fab in Beijing; two 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin. The Group also has marketing and customer service offices in the United States, Europe, Japan and Taiwan China, and a representative office in Hong Kong. SMIC Holdings, as a multinational company's regional headquarters, was formed in 2015 and is principally engaged in investment holding. It is a wholly-owned subsidiary of the Company.



## **Shaoxing Yuecheng IC Fund**

Shaoxing Yuecheng IC Fund was incorporated in Yuecheng District, Shaoxing City in February 2018. It is an equity investment fund focusing on SMEC. The general partner of Shaoxing Yuecheng IC Fund is SMIC Equity Investment Fund Management (Ningbo) Co., Ltd. (中芯科技股權投資基金管理(寧波)有限公司) (whose ultimate beneficial owner is WANG Qian), and the limited partners are Shaoxing High-tech Industrial Development Zone Didang Xincheng Investment Development Co., Ltd. (紹興市高新技術產業開發區迪蕩新城投資發展有限公司), Shaoxing Technology Venture Investment Co., Ltd. (紹興市科技創業投資有限公司), Shaoxing State-owned Assets Investment Management Co., Ltd. (紹興市國有資產投資經營有限公司), Ningbo Xinyue Equity Investment Partnership (Limited Partnership) (寧波芯越股權投資合夥企業(有限合夥)) and Ningbo Core Space Investment Center (Limited Partnership) (寧波芯空間投資中心(有限合夥)), amongst which, the limited partner who has the largest shareholding interest of 38% is Shaoxing High-tech Industrial Development Zone Didang Xincheng Investment Development Co., Ltd. Each of the remaining limited partners holds less than 18% in Shaoxing Yuecheng IC Fund.

## **Shaoxing Rixinrui**

Shaoxing Rixinrui was incorporated in Yuecheng District, Shaoxing City, Zhejiang Province in July 2019, a partnership focusing on investing in SMEC, with Xinrui Enterprise Management (Shanghai) Co., Ltd. (芯銳企業管理(上海)有限責任公司) (equally held by 5 managing persons of SMEC, namely DING Guoxing, XIAO Fang, ZHAO Qi, LIU Xuanjie and WANG Wei) acting as its manager. This partnership serves as an employee shareholding platform for SMEC's employees, and the ultimate beneficial owners are 140 SMEC's employees.

## **Gongqingcheng Orange Core**

Gongqingcheng Orange Core was incorporated in the Gongqingcheng Fund Town of Jiujiang City, Jiangxi Province in August 2020, an equity investment fund with Shanghai Xingcheng Investment Management Co., Ltd. (上海興橙投資管理有限公司) acting as its manager. The general partner of Gongqingcheng Orange Core is Gongqingcheng Xingcheng Investment Partnership (Limited Partnership) (共青城興橙投資合夥企業(有限合夥)) which is ultimately controlled by Mr. CHEN Xiaofei and Mr. ZHANG Liang. There are currently 11 limited partners in Gongqingcheng Orange Core. Each of the limited partners holds less than 24% in Gongqingcheng Orange Core.

## **Gongqingcheng Orange Sea**

Gongqingcheng Orange Sea was incorporated in the Gongqingcheng Fund Town of Jiujiang City, Jiangxi Province in April 2020, an equity investment fund with Shanghai Xingcheng Investment Management Co., Ltd. (上海興橙投資管理有限公司) acting as its manager. The general partner of Gongqingcheng Orange Sea is Gongqingcheng Xincheng Equity Investment Partnership (Limited Partnership) (共青城芯城股權投資合夥企業(有限合夥)) which is ultimately controlled by Mr. CHEN Xiaofei. There are currently 16 limited partners in Gongqingcheng Orange Sea. Each of the limited partners holds less than 16% in Gongqingcheng Orange Sea.

## **Gongqingcheng Qiushi**

Gongqingcheng Qiushi was incorporated in the Gongqingcheng Fund Town of Jiujiang City, Jiangxi Province in May 2020, an equity investment fund with Shanghai Xingcheng Investment Management Co., Ltd. (上海興橙投資管理有限公司) acting as its manager. The general partner of Gongqingcheng Qiushi is Gongqingcheng Xingcheng Investment Partnership (Limited Partnership) (共青城興橙投資合夥企業 (有限合夥)) which is ultimately controlled by Mr. CHEN Xiaofei and Mr. ZHANG Liang. There are currently 19 limited partners in Gongqingcheng Qiushi. Each of the limited partners holds less than 17% in Gongqingcheng Qiushi.

## **Ningbo Zhenxin**

Ningbo Zhenxin was incorporated in Beilun District, Ningbo City in August 2020. It is an equity investment fund that invests in the integrated circuit industry, electronic information industry and strategic emerging industries, and it has now invested in SMEC. The general partner of Ningbo Zhenxin is Ningbo Minxin Investment Partnership (Limited Partnership) (寧波敏芯投資合夥企業 (有限合夥)) whose ultimate beneficial owner is HU Qiheng. There are 6 limited partners in total in Ningbo Zhenxin, amongst which, the holder of the largest shareholding interest is Ningbo Xingxin Investment Partnership (Limited Partnership) (寧波興芯投資合夥企業 (有限合夥)), holding 34% of interests. Each of the remaining limited partners holds less than 21% in Ningbo Zhenxin.

## **Ningbo Xintuo**

Ningbo Xintuo was incorporated in Beilun District, Ningbo City in August 2020, an equity investment fund focusing on investing in SMEC. The general partner of Ningbo Xintuo is Ningbo Xinxiang Investment Partnership (Limited Partnership) (寧波芯祥投資合夥企業 (有限合夥)) whose ultimate beneficial owner is SUN Dadi. There are 14 limited partners in total in Ningbo Xintuo, amongst which, the holder of the largest shareholding interest is Shenzhen Hesheng Huiying Equity Investment Center (Limited Partnership) (深圳和生匯盈股權投資中心 (有限合夥)), holding 26% of interests. Each of the remaining limited partners holds less than 17% in Ningbo Xintuo.

## **Ningbo Xinhong**

Ningbo Xinhong was incorporated in Beilun District, Ningbo City in August 2020, an equity investment fund focusing on investing in SMEC. The general partner of Ningbo Xinhong is Ningbo Shaoxin Investment Partnership (Limited Partnership) (寧波紹芯投資合夥企業 (有限合夥)) whose ultimate beneficial owner is YU Yijun. There are 14 limited partners in total in Ningbo Xinhong, amongst which, the holder of the largest shareholding interest is WU Chuan, holding 24% of interests. Each of the remaining limited partners holds less than 14% in Ningbo Xinhong.

## **Qingdao Juyuan Yinxin**

Qingdao Juyuan Yinxin was incorporated in Chengyang District, Qingdao City, Shandong Province in August 2020, a company engaged in investment activities with its own funds, with China Fortune-Tech Capital, LLP (中芯聚源股權投資管理 (天津) 合夥企業 (有限合夥)) acting as its manager. There are 4 limited partners in total in Qingdao Juyuan Yinxin, amongst which, the holders of the largest shareholding interest are Shanghai GenTech Co., Ltd. and China IC Capital (Ningbo) Co., Ltd., holding 30% and 30% of interests respectively. Each of the remaining limited partners holds less than 22% in Qingdao Juyuan Yinxin.

## **Shaoxing Guixinrui**

Shaoxing Guixinrui was incorporated in Yuecheng District, Shaoxing City, Zhejiang Province in December 2020, a partnership focusing on investing in SMEC, with Xinrui Enterprise Management (Shanghai) Co., Ltd. (芯銳企業管理 (上海) 有限責任公司) (equally held by 5 managing persons of SMEC, namely DING Guoxing, XIAO Fang, ZHAO Qi, LIU Xuanjie and WANG Wei) acting as its manager. This partnership serves as an employee shareholding platform for SMEC, and the ultimate beneficial owners are 150 SMEC's employees.

## **Xinjiang Dongpeng**

Xinjiang Dongpeng was established on September 27, 2016, a professional enterprise engaged in investment businesses, mainly including investment in chips, industrial automation, software services, communication network and other industries, and has made investments in several well-known enterprises in the industry. Its general partner is Ningbo Meishan Bonded Port Area Xinyou Asset Management Partnership (Limited Partnership) (寧波梅山保稅港區信遊資產管理合夥企業 (有限合夥)), which is ultimately controlled by Mr. YUAN Bing. The major limited partners of Xinjiang Dongpeng Heli Investment Partnership (Limited Partnership) (新疆東鵬合立股權投資合夥企業 (有限合夥)) are Ningbo TCL Equity Investment Co., Ltd. (寧波TCL股權投資有限公司) and Zhejiang Weixing New Building Materials Co., Ltd. (浙江偉星新型建材股份有限公司). The shareholding percentages of the limited partners Ningbo TCL Equity Investment Co., Ltd. (寧波TCL股權投資有限公司) and Zhejiang Weixing New Building Materials Co., Ltd. (浙江偉星新型建材股份有限公司) are identical, which is 47% for each.

## **Qingdao Yingke**

Qingdao Yingke's managing partner is Yingke Innovation Asset Management Co. Ltd. (盈科創新資產管理有限公司) ("Yingke Asset"). Yingke Asset, is a large comprehensive asset management group established in 2010, nearly 30% equity of which were held by large financial institutions and state-owned capital. It has formed three major investment strategies, namely equity investment, refinancing and quantitative investment, as well as the comprehensive asset management and allocation capability. In the core technology field, Yingke Asset lays emphasis on the layout of the whole industrial chain and has formed an industrial ecosystem with a high degree of coordination ability. The ultimate controlling shareholder of Yingke Asset is Mr. QIAN Mingfei. There are 5 limited partners in total in Qingdao Yingke, amongst which, the limited partner who has the largest shareholding interest of 86% is Qingdao Chengtou Technology Development Co., Ltd. (青島城投科技發展有限公司). The remaining limited partners hold in aggregate 14% in Qingdao Yingke.

## **Suzhou HuYangLin**

Suzhou HuYangLin was incorporated in Suzhou Industrial Park, Jiangsu Province in November 2018. It is an equity investment fund focusing on intelligent manufacturing and pharmaceutical projects in the Yangtze River Delta region. Its fund manager is Suzhou HuYangLin Capital Management Co., Ltd. (蘇州胡楊林資本管理有限公司) (whose ultimate beneficial owner is Mr. ZHANG Fuping). There are 5 limited partners, amongst which, the limited partner who has the largest shareholding interest is Suzhou Industrial Park Assets Management Co., Ltd. (蘇州工業園區資產管理有限公司), holding 50% of interests. Each of the remaining limited partners holds less than 39% in Suzhou HuYangLin.

## **Qingdao Cowin**

Qingdao Cowin was incorporated in Chengyang District, Qingdao in August 2020. It is a private equity venture capital fund with Cowin Jinxiu Asset Management Limited (深圳同創錦繡資產管理有限公司) ("Cowin Jinxiu") as general partner and manager. Cowin Jinxiu is a wholly-owned subsidiary of Shenzhen Cowin Asset Management Co., Ltd. (深圳同創偉業資產管理股份有限公司) ("Cowin"). Cowin, with HUANG Li and ZHENG Weihe as ultimate controllers, is one of the first professional venture capital companies in China, focusing on venture capital investment for 20 years. Cowin manages over RMB20 billion at present, providing venture capital for many small and medium-sized enterprises across the country including Shenzhen, assisting enterprises to standardize operation, improve governance structure, participate in enterprise strategic decision-making, improve profitability, plan to listing, with an aim to grow together with enterprises. The limited partner of Qingdao Cowin is WANG Haibo.

## **Shangrong Chuangxin**

Shangrong Chuangxin was incorporated by Sunrise Capital Management Co., Ltd. (尚融資本管理有限公司), Ningbo Heyuan Holdings Co., Ltd. (寧波禾元控股有限公司) and Zhejiang Yulong Industrial Co., Ltd. (浙江裕隆實業股份有限公司) in March 2018 with a registered capital of RMB1.0 billion, and is effectively controlled by Mr. SUN Yonggen. The fund focuses on high-tech fields and mainly invests in integrated circuit, advanced materials, high-end manufacture, biopharmacy and other sectors. There are 4 limited partners in total in Shangrong Chuangxin, amongst which, the major limited partner is Ningbo Heyuan Holdings Co., Ltd. (寧波禾元控股有限公司), holding 84% of interests. The remaining limited partners hold in aggregate 16% in Shangrong Chuangxin.

## **IPV Global**

IPV Global was established in the Qianhai Free Trade Zone, Shenzhen in 7 May 2018 with a total capital commitment of RMB1,616,160,000. The general partner is Yaixin (Shenzhen) Business Information Consultancy Co., Ltd. (堯芯（深圳）商務信息諮詢有限公司) (1.00% of the capital commitment), and the limited partners include China IC Fund (49.50% of the capital commitment), Shenzhen Kunpeng Equity Investment Co., Ltd. (深圳市鯤鵬股權投資有限公司) (30.94% of the capital commitment), China IC Capital (Ningbo) Co., Ltd (10.21% of the capital commitment), and Beijing Sanheyuan Investment Co., Ltd. (北京三和源投資有限責任公司) (8.35% of the capital commitment). The manager of the fund is Infotech Ventures Co., Ltd. IPV Global is an equity investment fund filed and registered with the Asset Management Association of China (registration no.: SEC672), and mainly invests in high-tech enterprises of the semiconductor industry and of semiconductor-related industries home and abroad.

## **Ningbo Wanxin**

Ningbo Wanxin was incorporated in the Beilun District, Ningbo City in October 2020. It is an equity investment fund that invests in the integrated circuit industry, and it has now invested in SMEC. The general partner of Ningbo Wanxin is Ningbo Rongxin Investment Partnership (Limited Partnership) (寧波榮芯投資合夥企業 (有限合夥)) and the ultimate beneficial owner of Ningbo Wanxin is LIANG Wentao and LIU Jianhong.

## **Qingdao Ruanxin**

Qingdao Ruanxin, established in 2020, is a fund focusing on the technology industry under SB China Capital (SBCVC) and its ultimate actual controller is ZHANG Xu. Established in 2000, SBCVC is a leading venture capital and private equity firm, whose investment focuses on high-tech companies with high growth potential in Greater China. There are 6 limited partners in total in Qingdao Ruanxin, amongst which, the limited partner who has the largest shareholding interest is Shenzheng Nanshan Venture Capital, L.P. (深圳市南山軟銀股權投資基金合夥企業 (有限合夥)), holding approximately 30% of interests. Each of the remaining limited partners holds less than 18% in Qingdao Ruanxin.

## **Guangzhou SunTour**

Guangzhou SunTour was incorporated in the Huangpu District, Guangzhou City in October 2020. It is a private equity investment fund and was filed and registered with the Asset Management Association of China (fund code: SNE607). The fund mainly invests in semiconductor material, equipment, design, manufacturing, packaging, testing, etc. The general partner of Guangzhou SunTour is Guangzhou Sun Tour Capital Co., Ltd. and Ningbo SB Xinchuang Venture Investment Partnership (Limited Partnership) (寧波軟銀欣創創業投資合夥企業 (有限合夥)) and the executive partner and fund manager is Guangzhou Sun Tour Capital Co., Ltd. There are 28 limited partners in Guangzhou SunTour. Each of the limited partners holds less than 18% in Guangzhou SunTour. The ultimate beneficial owner of Guangzhou Sun Tour Capital Co., Ltd. is Mr. CHEN Ruibin.

## **Haitong ITG**

Haitong ITG was incorporated in July 2019. It is an equity investment fund jointly established by Xiamen ITG Holding Group which is wholly owned by Xiamen SASAC and Haitong Securities (stock code: 600837.SH/06837.HK) which is supervised by Shanghai SASAC. The total size of the fund is RMB3 billion. The fund manager is Haitong Capital Investment Co., Ltd., a wholly-owned subsidiary of Haitong Securities. The purpose of the fund is to leverage the advantageous resources of both Xiamen ITG Holding Group and Haitong Securities, and proactively help and support the development of blue-chip enterprises, so as to promote the industrial upgrading and transformation in the PRC. There are 2 limited partners in total in Haitong ITG, being Xiamen ITG Assets Operation Group Co., Ltd. (廈門國貿資產運營集團有限公司) and Shanghai Haitong Securities Asset Management Company Ltd. which holds 50% and 49% of interests respectively.



## **Tianjin Yuanfeng**

Tianjin Yuanfeng (AMAC Fund Code: SLZ724) was established in 2020, and is mainly engaged in equity investment, investment management, assets management, etc. as a private fund. The fund manager is Beijing Panmao Investment Management Co., Ltd. (北京磐茂投資管理有限公司) (AMAC Registration no.: P1067897). The limited partners of Tianjin Yuanfeng is Panmao (Shanghai) Investment Center (Limited Partnership) (磐茂（上海）投資中心（有限合夥）) and Xiamen Yuanfeng Equity Investment Fund Partnership (Limited Partnership) (廈門源峰股權投資基金合夥企業（有限合夥）), both holding approximately 50% of interests.

## **CMBI Growth**

CMBI Growth was established and filed with the administration of industry and commerce in May 2016 and its business scope includes equity investment. The general partner of CMBI Growth is China Merchant Bank International Capital Management (Shenzhen) Co., Ltd., and the limited partner is CMB Financial Holding (Shenzhen) Co., Ltd.. The ultimate beneficial owner of each of the general partner and limited partner of the company is China Merchants Bank (stock code: 600036.SH/03968.HK).

## **Qingdao Juyuan Xinyue**

Qingdao Juyuan Xinyue was incorporated in Chengyang District, Qingdao City, Shandong Province in November 2020, a company engaged in investment activities with its own funds, with China Fortune-Tech Capital, LLP (中芯聚源股權投資管理（天津）合夥企業（有限合夥）) acting as its manager. There are 5 limited partners in total in Qingdao Juyuan Xinyue, amongst which, the holder of the largest shareholding interest is Industrial Securities Investment Management Limited, holding approximately 41% of interests. Each of the remaining limited partners holds less than 21% in Qingdao Juyuan Xinyue.

## **Qingdao Juyuan Xinyue II**

Qingdao Juyuan Xinyue II was incorporated in Chengyang District, Qingdao City, Shandong Province in November 2020, a company engaged in investment activities with its own funds, with China Fortune-Tech Capital, LLP (中芯聚源股權投資管理（天津）合夥企業（有限合夥）) acting as its manager. There are 7 limited partners in total in Qingdao Juyuan Xinyue II, amongst which, the holders of the largest partnerships are Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership) (青島暢贏金鵬股權投資合夥企業（有限合夥）) and Jiaxing Jiafa Investment Partnership (Limited Partnership) (嘉興嘉發投資合夥企業（有限合夥）), holding 25% of interests. Each of the remaining limited partners holds less than 13% in Qingdao Juyuan Xinyue II.

## **Shenzhen Capital**

Shenzhen Capital was established in 1999 with capital contribution from and social capital introduced by Shenzhen Municipal Government. Shenzhen Capital primarily invests in SMEs, innovative high-tech enterprises and enterprises in the emerging industries that are engaged in IT, internet/new media/cultural and creative industry, biotechnology/healthcare, new energy/energy conservation and environmental protection, new materials/chemical, high-end equipment manufacturing, consumer goods/modern services and other industries, covering full life-cycle of enterprises. The ultimate beneficial owner of Shenzhen Capital is Shenzhen Municipal State-owned Assets Supervision and Administration Commission.

## **Masterwell**

Established in 2008, Masterwell is specially engaged in venture investment. Currently, Masterwell primarily invests in enterprises in emerging industries as well as high-growth and high-tech enterprises, including the semiconductor materials and other industries, and is committed to assisting entrepreneurs in building world-class leading enterprises. Masterwell is controlled by Dragon I Holding L.P., holding 75% of the equity, and the ultimate beneficial owner is Joyce WONG.

## **Shanghai Hongcheng**

Founded in 2010, Shanghai Hongcheng is a private venture investment fund (AMAC Fund Code: SD4058). Shanghai Hongcheng is consisting of five natural persons including Shanghai Nanometer Venture Investment Co., Ltd. (Private Equity Fund Manager Registration No.: P1004288, an executive partner) and CHEN Jinxia (a limited partner). The ultimate beneficial owner of Shanghai Hongcheng is Ms. CHEN Jinxia.

## **Suzhou Heji**

Suzhou Heji was established in 2015 and is mainly engaged in capital management, equity investment, asset management and investment consultancy services. The controlling shareholder of Suzhou Heji is Suzhou Heji Investment Co., Ltd., and its ultimate beneficial owner is Mr. ZHANG Heqing.

## **Zhuzhou Ruilian**

Zhuzhou Ruilian was established in December 2020, and its business scope includes unlisted equity investment activities and related consultancy services. Zhuzhou Ruilian is a private equity investment fund which is established to invest in SMEC. The general partner of Zhuzhou Ruilian is Gongqingcheng Ruilian Investment Partnership (Limited Partnership) (共青城睿聯投資合夥企業 (有限合夥)) which is controlled by Ms. LIU Hong, and the ultimate beneficial owner is Ms. LIU Hong. There are 6 limited partners in total in Zhuzhou Ruilian, amongst which, Gongqingcheng Xinshi Venture Capital Partnership (Limited Partnership) (共青城新勢創業投資合夥企業 (有限合夥)) holds approximately 58% of interests. The remaining limited partners hold in aggregate approximately 42% in Zhuzhou Ruilian.



## DEFINITIONS

In this announcement, the following words have the following meanings unless the context requires otherwise:

“associate(s)”	shall have the same meaning as ascribed to it under the Hong Kong Listing Rules;
“Board”	the board of Directors;
“China IC Fund”	China Integrated Circuit Industry Investment Fund Co., Ltd.* (國家集成電路產業投資基金股份有限公司), a limited share company established and validly existing under the laws of the PRC;
“CMBI Growth”	CMBI Growth Sixteen (Shenzhen), LP.* (招銀成長拾陸號(深圳)合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Company”	Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the Science and Technology Innovation Board of the SSE;
“Director(s)”	the director(s) of the Company;
“Gongqingcheng Orange Core”	Gongqingcheng Orange Core Equity Investment Partnership (Limited Partnership)* (共青城橙芯股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Gongqingcheng Orange Sea”	Gongqingcheng Orange Sea Equity Investment Partnership (Limited Partnership)* (共青城橙海股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Gongqingcheng Qiushi”	Gongqingcheng Qiushi Equity Investment Partnership (Limited Partnership)* (共青城秋實股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Guangzhou SunTour”	Guangzhou SunTour HuaChip Venture Capital Fund Partnership (Limited Partnership)* (廣州辰途華芯創業投資基金合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;

“Group”	the Company and its subsidiaries;
“Haitong ITG”	Xiamen ITG Haitong Ludao Equity Investment Limited Partnership* (廈門國貿海通鷺島股權投資基金合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“IPV Global”	IPV Global Technology Fund* (盈富泰克(深圳)環球技術股權投資基金合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Masterwell”	Masterwell (HK) Limited, a limited liability company incorporated and validly existing under the laws of Hong Kong;
“New JV Agreement”	the joint venture agreement dated 8 January 2021 entered into among the parties disclosed in the section headed “Summary of Principal Terms of the New JV Agreement – Parties” in this announcement;
“Ningbo Wanxin”	Ningbo Wanxin Capital Fund, LLP.* (寧波萬芯股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Ningbo Xinhong”	Ningbo Xinhong Capital Fund, LLP.* (寧波芯宏股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Ningbo Xintuo”	Ningbo Xintuo Capital Fund, LLP.* (寧波芯拓股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Ningbo Zhenxin”	Ningbo Zhenxin Capital Fund, LLP.* (寧波振芯股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“PRC”	the People’s Republic of China;
“Qingdao Cowin”	Qingdao Cowin Zhichuang Venture Capital Investment Center (Limited Partnership)* (青島同創致創創業投資中心(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;

“Qingdao Juyuan Xinyue”	Qingdao Juyuan Xinyue Capital Fund, LLP.* (青島聚源芯越股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Qingdao Juyuan Xinyue II”	Qingdao Juyuan Xinyue Capital Fund II, LLP.* (青島聚源芯越二期股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Qingdao Juyuan Yinxin”	Qingdao Juyuan Yinxin Capital Fund, LLP.* (青島聚源銀芯股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Qingdao Ruanxin”	Qingdao Ruanxin Venture Capital Partnership (Limited Partnership)* (青島軟芯創業投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Qingdao Yingke”	Qingdao Yingke Value Venture Capital Partnership (Limited Partnership)* (青島盈科價值創業投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Shanghai Hongcheng”	Shanghai Hongcheng Venture Investment Partnership Enterprise (Limited Partnership)* (上海泓成創業投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Shangrong Chuangxin”	Shangrong Chuangxin (Ningbo) Equity Investment Center (Limited Partnership)* (尚融創新(寧波)股權投資中心(有限合夥)), a limited partnership established and validly existing under the laws of the PRC
“Shaoxing Guixinrui”	Shaoxing Guixinrui Enterprise Management Partnership, LLP.* (紹興硅芯銳企業管理合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Shaoxing Rixinrui”	Shaoxing Rixinrui Enterprise Management Partnership, LLP.* (紹興日芯銳企業管理合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Shaoxing Yuecheng IC Fund”	Shaoxing Yuecheng Integrated Circuit Industry Fund, LLP.* (紹興市越城區集成電路產業基金合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Shareholder(s)”	the holder(s) of the Share(s);

“Shares”	ordinary shares of par value US\$0.004 each in the share capital of the Company;
“Shenzhen Capital”	Shenzhen Capital Group Co., Ltd.* (深圳市創新投資集團有限公司), a limited liability company established and validly existing under the laws of the PRC;
“SMEC”	Semiconductor Manufacturing Electronics (ShaoXing) Corporation* (中芯集成電路製造(紹興)有限公司), a company established under the laws of the PRC and is held as to 19.57% by SMIC Holdings as at the date of this announcement;
“SMIC Holdings”	SMIC Holdings Corporation* (中芯國際控股有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company;
“SSE”	the Shanghai Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suzhou Heji”	Suzhou Heji Capital Management Co., Ltd.* (蘇州和基資本管理有限公司), a limited liability company established and validly existing under the laws of the PRC;
“Suzhou HuYangLin”	Suzhou HuYangLin ZhiYuan Investment Center (Limited Partnership)* (蘇州胡楊林智源投資中心(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“Tianjin Yuanfeng”	Tianjin Yuanfeng Panmao Equity Investment Center (Limited Partnership)* (天津源峰磐茂股權投資中心(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;
“US\$”	United States dollar, the lawful currency of the United States of America;
“Xinjiang Dongpeng”	Xinjiang Dongpeng Heli Investment Partnership (Limited Partnership)* (新疆東鵬合立股權投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC;

“Zhuzhou Ruilian”

Zhuzhou Ruilian Guochuang Venture Capital Partnership (Limited Partnership)\* (株洲市睿聯國創創業投資合夥企業(有限合夥)), a limited partnership established and validly existing under the laws of the PRC; and

“%”

per cent.

By order of the Board  
**Semiconductor Manufacturing International Corporation**  
**Gao Yonggang**  
*Executive Director, Chief Financial Officer  
and Company Secretary*

Shanghai, PRC  
8 January 2021

*As at the date of this announcement, the directors of the Company are:*

**Executive Directors**

ZHOU Zixue (*Chairman*)

CHIANG Shang-Yi (*Vice Chairman*)

ZHAO Haijun (*Co-Chief Executive Officer*)

LIANG Mong Song (*Co-Chief Executive Officer*)

GAO Yonggang (*Chief Financial Officer and Company Secretary*)

**Non-executive Directors**

CHEN Shanzhi

ZHOU Jie

REN Kai

LU Jun

TONG Guohua

**Independent Non-executive Directors**

William Tudor BROWN

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

YOUNG Kwang Leei

\* *For identification purposes only*